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CENTRAL INTELLIGENCE BULLETIN

CURRENT INTELLIGENCE RELATING TO NATIONAL SECURITY

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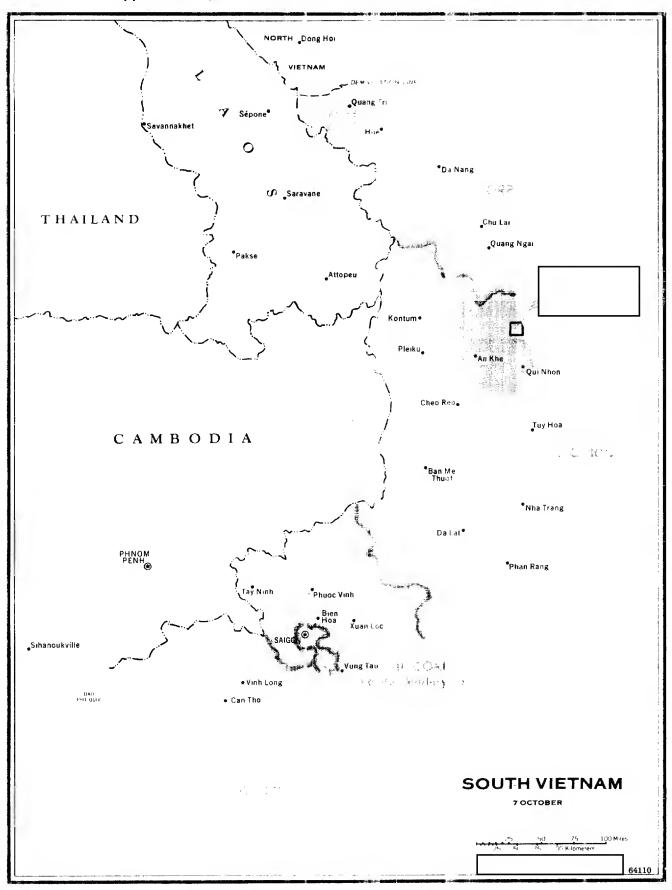
8 October 1966

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*Vietnam: (Information as of 4:30 AM EDT)

Political Developments in South Vietnam: North-south regional antipathies in the government have been intensified by the pending resignations of six southern cabinet members.

The resignations, which have not been accepted by Premier Ky, were touched off by an article in a Vietnamese newspaper--known to be backed by Ky--which blamed southerners for a cabinet incident earlier this week. The premier has attempted to conciliate the southern ministers, including civilian Deputy Premier Nguyen Luu Vien, by suspending the newspaper. It is not yet clear, however, whether the resignations will be withdrawn.

The US Embassy has commented that should the incident not be settled soon, a quick cabinet reshuffle would be preferable to a prolonged period of indecision during which further polarization of regional feelings might occur.

The Military Situation in South Vietnam: Military action near the Demilitarized Zone in northern Quang Tri Province has slowed at least temporarily during the past 24 hours.

Farther south in the coastal area of central Binh Dinh Province, allied forces participating in Operation IRVING have completed their encirclement of the North Vietnamese/Viet Cong 610th Division. Thus far in this operation—which began on 1 October—1,121 Communist troops have been killed, 628 enemy troops have been captured, and 1,407 suspects have been detained. Allied casualties among the 15 battalions in the field total 37 killed and 133 wounded.

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Cyprus: President Makarios is planning to seek direct talks with Ankara for an independent Cyprus

should the current Greek-Turkish dialogue collapse.

Makarios, according to the UN special representative in Cyprus, is convinced that it will be clear by December that the secret Greek-Turkish discussions will have failed to arrive at a solution involving either enosis (union with Greece) or a Turkish-sponsored partition of the island. He proposes, therefore, to seek, possibly under UN aegis, Turkish acceptance of a constitutional revision providing for independence but guaranteeing Turkish Cypriot rights and responsibilities. In the past, however, Ankara has preferred to deal directly with Athens, rather than with Makarios, in seeking a Cyprus solution. Makarios hopes to receive US approval for his proposed initiative.

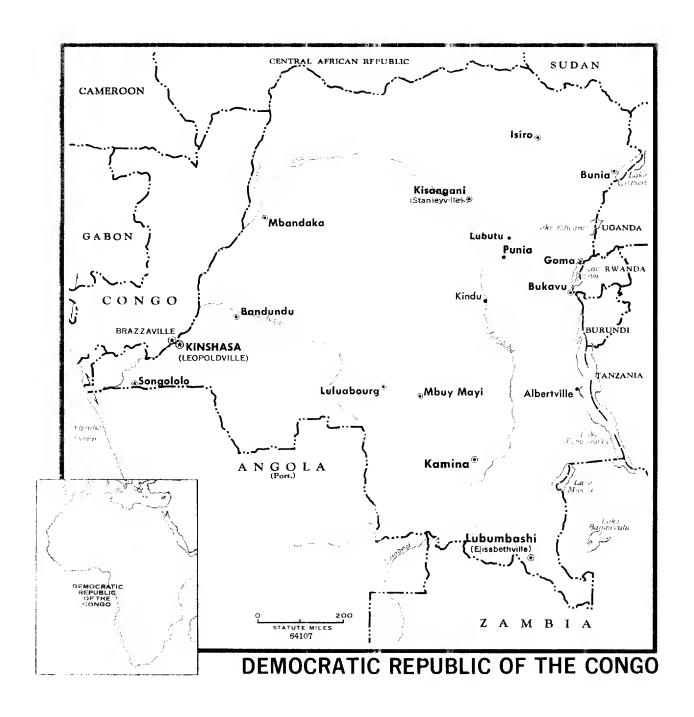
This plan of action, coupled with the current Greek Cypriot foot-dragging over implementation of agreements for renewed intercommunal cooperation, points up Makarios' long-standing aim of torpedoing the Greek-Turkish talks.

Makarios also emphasized that growing discontent in the UN over the absence of progress toward a Cyprus solution could result in reduction of the UN police force to the status of a small observer group when the current mandate expires in late December. A reduction below the present level of roughly 4,500 men could endanger the present precarious truce.

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Congo (Kinshasa): Most of the mutinous Katangan soldiers in the Lubutu-Punia area apparently have agreed to surrender.

Congolese aircraft carrying food and supplies to Punia will evacuate those surrendering to Kamina. Presumably, they will be allowed to return to their homes from there. However, a small contingent with 15 vehicles has refused to disarm and has headed eastward from Punia.

President Mobutu apparently has met the mutineers' demands that they be returned home without fear of reprisals, but has not yet given the promised written guarantee. Any premature action taken against the Katangans, either upon their arrival in Kamina or while waiting in Punia, could lead to further resistance.

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Malaysia-Indonesia: Malaysian civilian officials are beginning to display concern in public over continuing Indonesian incursions into Malaysian Borneo.

They are reluctant, however, to believe that General Suharto is behind the incursions, and they are eager to preserve the friendly relations with Indonesia that have prevailed since the agreement to end confrontation.

As one way of bringing the problem to Suharto's attention, Malaysian authorities are permitting press publication of the incursions, but are attributing them to volunteers and Indonesian regulars acting on their own. Prime Minister Rahman, who is more suspicious of Indonesian intentions than some of his subordinates, held a press conference on 5 October in which he stated that "this has much deeper implications than what appears on the face of it" and that "things might become more serious."

Malaysian military authorities have consistently held that Indonesia retains its long-range ambition to separate the Malaysian Borneo states of Sabah and Sarawak from the federation. Civilian officials, however, remained skeptical until they learned that incursions had been made not only after the conclusion of the agreement on 1 June to end confrontation, but also since it had been signed on 11 August.

A top Malaysian foreign affairs official told the US ambassador on 5 October that it was important that the Suharto government survive. He implied that General Suharto's regime is the best that can be obtained in Indonesia under prevailing circumstances and that Malaysia has no alternative but to try to work with it.

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NOTES

USSR: The Soviets have indicated they favor the extension of international safeguards over atomic facilities of Eastern European and NATO countries which do not have nuclear weapons. The Soviet member of the International Atomic Energy Agency (IAEA) board recently said Moscow would like to coordinate new IAEA safeguards with the USSR's own nonproliferation efforts. He pointed to the recent offers by Poland and Czechoslo-
He pointed to the recent offers by Poland and Czechoslovakia to put their facilities under these safeguards-provided West Germany does the sameas a small but
important step along these lines.

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